

# SALES AND INSTALLATION AGREEMENT

## APPENDIX D TO DIR CONTRACT NO. DIR-SDD-2225

THIS SALES AND INSTALLATION AGREEMENT (this "Agreement") is entered into as of \_\_, 20 by \_\_\_\_\_ and between \_\_\_\_\_ "Customer") and LenSec LLC, an Alabama limited liability company ("LenSec").

WHEREAS, LenSec is in the business of selling Digital Video Surveillance solutions, which includes Hardware, Software and Installation Services; and

WHEREAS, Customer is interested in purchasing such Hardware, Software and Installation Services (collectively, "Products") from LenSec.

NOW THEREFORE, in consideration of the mutual promises and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Products and Services. LenSec agrees to provide Customer with the Products as more fully described on the proposal attached hereto as Attachment A (the "Proposal"). Customer agrees to purchase (or license in the case of Software) such Products pursuant to the terms and conditions of DIR Contract No. DIR-SDD-2225 and this Agreement and the Proposal.

2. Payment Terms.

2.1. Payment. Customer agrees to pay the prices for the hardware ("Hardware") and installation services ("Installation Services") described in Appendix C of DIR Contract No. DIR-SDD-2225 and the License fees for the LenSec software ("Software") described in Appendix C of DIR Contract No. DIR-SDD-2225 (collectively, the "Price"). Payments will be made in accordance with Appendix A, Section 7C of DIR Contract No. DIR-SDD-2225.

2.2. Other Charges; Taxes. Taxes will be handled in accordance with Section 4F of DIR Contract No. DIR-SDD-2225. Customer will provide an exemption certificate or such other documentation as LenSec may reasonably request to verify such status.

2.3. Due Date. Payments will be made in accordance with Appendix A, Section 7C of DIR Contract No. DIR-SDD-2225.

3. Software License.

3.1. Grant. Subject to the terms of DIR Contract No. DIR-SDD-2225 and this Agreement, for each server being purchased by Customer hereunder, LenSec grants Customer a limited, revocable, non-exclusive, non-transferable, perpetual license ("License") for the copy of the Software in object code form installed in such server. Customer acknowledges and agrees that the License granted by LenSec hereunder for the Software is server specific, and Customer hereby agrees not to use, copy, install or otherwise transfer the Software that is installed in one server and use or install such Software or copy thereof in a different server in any manner. The Software is solely for use (i) at the location(s) (the "Designated Location(s)") shown in the Proposal, (ii) in monitoring the facilities at the Designated Location(s), and (iii) at the Designated Location(s). Except for one copy of the Software for backup purposes or as otherwise allowed by law, Customer shall not copy or permit copying of the Software and shall maintain the confidentiality of the Software in accordance with the provisions hereof. The copy of the Software for backup purposes shall only be used on the server that such Software was installed on. Customer agrees not to disassemble, recompile or otherwise reverse engineer the Software or otherwise attempt to learn the source code, structure, algorithms or ideas underlying the Software. Notwithstanding the preceding sentences in this Section 3.1, Customer may, upon receiving LenSec's prior written consent, provide a third party with limited access to the Software and/or Products; provided, however, that any such approved access to the Software and/or Products must be (i) for a limited period of time as determined by LenSec, and (ii) related to a specific incident that occurred at a Designated Location. Customer shall be obligated to obtain LenSec's prior written consent for each incident that occurs at a Designated Location where Customer needs to provide a third party with such access to the Software and/or Products. LenSec retains all right, title and interest to and in the Software and all intellectual property and proprietary rights therein. LenSec does not grant or otherwise transfer any rights of ownership in the Software to Customer. The Software is protected by applicable intellectual property laws. LenSec reserves any rights not expressly granted to Customer herein.

3.2. RESTRICTED RIGHTS. If Customer is a unit or agency of the U.S. Government, any software, documentation or

other technical data, including, without limitation, the Software, is provided as COMMERCIAL COMPUTER SOFTWARE -- RESTRICTED RIGHTS pursuant to FAR 52.227-19, DFARS 227.7202-3, or DFARS 227.7203-5 or LIMITED RIGHTS DATA pursuant to FAR 52.227-14, as applicable. Contractor/manufacturer is LenSec at the address shown below. If Customer is a subdivision, unit or agency of any state of the United States, Customer agrees any software, documentation, or other technical data, including, without limitation, the Software provided by LenSec, is the trade secret and confidential commercial information of LenSec and that, among other things, the release or disclosure thereof would cause substantial competitive harm to LenSec and jeopardize the secure use of the Software by Customer.

4. Delivery. The delivery date of all Hardware and Software and the commencement date for Installation Services will be agreed upon by both parties. All shipments will be handled in accordance with Section 4E of DIR Contract No. DIR-SDD-2225. All Products are deemed accepted ten (10) days after delivery unless Customer provides written notice of claims for shortages or errors to LenSec within such time period, which notice shall include a list of all apparent damage or shortages on the carrier copy of the delivery receipt.

5. Limited Warranty.

5.1. Hardware. LenSec warrants that the Hardware provided pursuant to the Proposal, when used and maintained in accordance with the manufacturer's specifications (the "Hardware Specifications") for such Hardware, will conform to such Hardware Specifications for one (1) year after the Hardware is shipped to Customer (the "Hardware Warranty Period"). The hardware warranty start date will be the date equipment is delivered on-site. If Customer notifies LenSec that Hardware is not in conformance with the Hardware Specifications during the Hardware Warranty Period (the "Hardware Notification"), LenSec will, without charge to Customer and upon delivery of such Hardware by Customer to LenSec, (i) repair the Hardware so that it conforms to the Hardware Specifications or replace the Hardware with conforming Hardware and ship the repaired or replacement Hardware to Customer, or (ii) at the sole discretion of LenSec, return Customer's payment for that Hardware terminate all other obligations under this Agreement as to that Hardware, with such remedy being the sole and exclusive remedy of Customer for breach of this warranty. Notwithstanding anything contained in this Agreement to the contrary, in no event will LenSec be responsible for providing any Hardware warranty service if such Hardware (i) was not kept or stored by Customer in a location with appropriate ventilation for such Hardware, or (ii) was kept at a temperature exceeding 85 degrees Fahrenheit (85°F) (the "Temperature and Ventilation Requirements") or below 50 degrees Fahrenheit (50°F), or (iii) was kept under the humidity more than 80% or below 20%. In the event that during the Hardware Warranty Period Customer does not use and maintain the Hardware in accordance with the Hardware Specifications or does not deliver the Hardware to LenSec within thirty (30) days of the Hardware Notification, then the following provisions shall apply with respect to the repair, replacement, support and/or servicing of the Hardware:

(a) LenSec will charge for labor at or travel time to Customer's Designated Location(s) in accordance with Appendix C of DIR Contract No. DIR-SDD-2225. Customer shall pay for all parts and replacement Products needed for repairs hereunder. Unless otherwise designated on the Proposal, the performance of LenSec's repairs is limited to Products supplied by and services performed by LenSec. If in order to perform such repairs, LenSec's personnel are required to update, modify, remove, alter or improve any non-LenSec supplied hardware, software or other materials, Customer will pay for such labor in accordance with Appendix C of DIR Contract No. DIR-SDD-2225.

5.2. Software. LenSec warrants that the Software, when used and maintained in accordance with LenSec's written specifications (the "Software Specifications") for such Software, will conform to such Software Specifications for a period (the "Software Warranty Period") ending on the earlier to occur of (i) 150 days after the Software is shipped to Customer, or (ii) ninety (90) days after the Software is installed at the Designated Location(s) for that Software. If Customer notifies LenSec that the Software is not in conformance with the Software Specifications during the Software Warranty Period (the "Software Notification"), LenSec will, without charge to Customer and upon receipt of such Software from Customer, (i) repair the Software so that it conforms to the Software Specifications or replace the Software with conforming Software and ship the repaired or replacement Software to Customer. In the event that during the Software Warranty Period Customer does not use or maintain the Software in accordance with the Software Specifications or does not deliver the Software to LenSec within thirty (30) days of the Software Notification, then the provisions of Section 5.1(a) above shall apply with respect to the repair, replacement, support and/or servicing of the Software.

5.3. Installation Services. LenSec warrants that for a period of three (3) months after the Installation Services are performed (i) such Installation Services will substantially conform to the description of such Installation Services as stated on the Proposal, and (ii) the Services will be performed in a good and workmanlike manner. If Customer notifies LenSec that an Installation Service is not in conformance with this limited warranty during the three (3) months warranty period, LenSec will, without charge to Customer (i) re-perform the Installation Service so that it conforms to this limited warranty, or (ii) at the sole discretion of LenSec, return Customer's payment for that portion of the Installation Service and terminate all other obligations under this Agreement as to that specific Installation Service, with such remedy being the sole and exclusive remedy of Customer for breach of this warranty.

5.4. Warranty Disclaimer. Customer shall pay the cost of removing and shipping any Products to LenSec for repair or

replacement and for shipment and installation of a repaired or replacement Product to Customer. LenSec shall reimburse Customer the foregoing costs. IN ALL EVENTS, CUSTOMER ASSUMES RISK OF LOSS OF THE PRODUCTS DURING TRANSIT AND LENSEC ASSUMES NO RESPONSIBILITY FOR ANY DELAYS, LOSSES OR DAMAGES TO PRODUCTS IN TRANSIT. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW AND EXCEPT AS EXPRESSLY PROVIDED IN THIS AGREEMENT, LENSEC SPECIFICALLY DISCLAIMS ANY AND ALL WARRANTIES, EXPRESS OR IMPLIED, IN FACT OR BY OPERATION OF LAW OR OTHERWISE, CONTAINED IN OR DERIVED FROM THIS AGREEMENT, THE PROPOSAL, ANY ORDER OR IN ANY OTHER MATERIALS, BROCHURES, PRESENTATIONS, SAMPLES, MODELS OR OTHER DOCUMENTATION OR COMMUNICATIONS, WHETHER ORAL OR WRITTEN, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, TITLE, NON-INFRINGEMENT OR FITNESS FOR A PARTICULAR PURPOSE OR OTHERWISE, WHICH WOULD EXTEND BEYOND THE WARRANTIES EXPRESSLY CONTAINED HEREIN. LENSEC DOES NOT WARRANT THAT THE OPERATION OF THE PRODUCTS WILL BE ERROR FREE OR UNINTERRUPTED. In addition to other items not covered by the limited warranties contained in this Section 5, the following issues are not covered: (i) any software, including, without limitation, the operating system and software added to the Products, (ii) any hardware not supplied by LenSec to Customer under this Agreement, or (iii) problems resulting from: (1) external causes such as accident, abuse, misuse, faulty electrical power or other causes beyond the control of LenSec, (2) any servicing not authorized by LenSec, (3) usage not in accordance with the applicable specifications, (4) Customer's failure to follow the applicable specifications, (5) problems caused by accessories, parts or components not supplied by LenSec or modifications to the Products not made or authorized in writing by LenSec, or (6) Customer's non-compliance with the Temperature, Ventilation and Humidity Requirements. LenSec reserves the right to condition performance of warranty services upon an inspection of the relevant facilities at the Designated Location(s). Customer acknowledges and agrees that notwithstanding anything contained herein to the contrary, LenSec shall not be obligated to perform any service hereunder, and the limited warranties contained herein shall not apply, until Customer has: (1) reported to LenSec the number of cameras not providing an image on Customer's monitors, (2) confirmed that power is available and being provided to each Product, (3) confirmed that Customer has working access to its internal network, and (4) confirmed that Customer has working access to the Internet. If LenSec has to perform any of the items set forth in the preceding sentence and the problem(s) with the Products are not covered by the limited warranties contained herein, then Customer will be obligated to pay to LenSec on a time and materials basis for the performance of any such four items set forth in the preceding sentence. In the event that power is not available or being provided to each Server or Customer does not have working access to the Internet or its internal network, then LenSec will not be obligated to perform any service hereunder until Customer has remedied its power, Internet or internal network problems. Upon the expiration of the applicable warranty period set forth in this Section 5, the provisions of Section 5.1(a) above shall apply with respect to the repair, replacement, support and/or servicing of the Products, unless Customer and LenSec have entered into LenSec's Post-Sales Support & Services Agreement or any other similar agreement covering post-sales support and services, which agreement shall then govern with respect to the repair, replacement, support and/or servicing of the Products.

6. Limitation of Liability. Limitation of Liability will be handled in accordance with Appendix A, Section 9K of DIR Contract No. DIR-SDD-2225.

7. Indemnification. Indemnification will be handled in accordance with in accordance with Appendix A, Section 9A of DIR Contract No. DIR-SDD-2225.

8. Confidentiality. Each party hereto (each a "Disclosing Party") may from time to time communicate to the other party (each a "Receiving Party") certain of the Disclosing Party's confidential information and other proprietary information ("Confidential Information"). To the extent allowable under Texas Public Information Act, each Receiving Party agrees to keep confidential all such Confidential Information and to take all reasonable precautions to prevent the unauthorized disclosure of any part of the Confidential Information to any person or entity, including, without limitation, taking all those precautions that the Disclosing Party uses to safeguard its own confidential information. Each Receiving Party shall not copy or use any of the Confidential Information, in whole or in part, except as required to provide the services covered by this Agreement or any other agreement between the parties hereto. Each Receiving Party shall also limit the use and circulation of such Confidential Information within its organization to those individuals who have a need to know such Confidential Information to the extent necessary to perform the services covered by this Agreement or any other agreement between the parties.

9. Non-Solicitation. Customer agrees not to, directly or indirectly, solicit or hire for employment or employ any of LenSec's employees who become known to Customer during the negotiation, execution and performance of this Agreement, which restriction shall continue during the term of this Agreement and for a two (2) year period after any termination of this Agreement. These provisions do not include solicitations open to the general public.

10. Termination. Terminations will be handled in accordance with Appendix A, Section 10B of DIR Contract No. DIR-SDD-2225.

11. Relationship and LenSec Obligations. LenSec will perform the Installation Services as an independent contractor and nothing in this Agreement shall be deemed or construed to create a partnership, joint venture or agency relationship between the parties. LenSec may use either its own personnel to perform the Installation Services hereunder or may subcontract for the provision of any of the Installation Services hereunder. Customer agrees to provide reasonable assistance to LenSec in LenSec's performance of the Services. Unless specifically set forth in the Proposal, LenSec shall have no obligation to perform any Installation Services on any hardware or software not supplied by LenSec.

12. Arbitration. Any dispute will be handled in accordance with Appendix A, Section 10A of DIR Contract No. DIR-SDD-2225.

13. Archiving. Customer acknowledges and agrees that LenSec does not (and will not at any time) archive at any of LenSec's offices or any other location any image or video file footage resulting from the Products. The archiving of any image or video file footage resulting from the Products will be the sole responsibility of Customer. If requested by Customer and to the extent possible, LenSec may assist Customer with extracting an archived image or video file footage resulting from the Products and send such archived image or video file footage on a compact disk or other media to Customer, all at Customer's expense. In no event will LenSec maintain a copy of such compact disk or other media sent to Customer, and all files located on LenSec's computers, servers and/or network associated with such archive retrieval will be immediately destroyed in each instance.

14. General Provisions. Force Majeure will be handled in accordance with Appendix A, Section 10 C of DIR Contract No. DIR-SDD-2225. Customer shall comply with all applicable federal and state laws and regulations for the operation and use of the Products. There are no third party beneficiaries to this Agreement or any part of this Agreement. Assignments will be handled in accordance with Appendix A, Section 4D of DIR Contract No. DIR-SDD-2225. If any provision of DIR Contract No. DIR-SDD-2225 or this Agreement are held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision of either document and shall be construed as if such invalid or unenforceable provision were omitted. Failure to enforce any term of this Agreement will not waive future enforcement of such terms. THIS AGREEMENT SHALL BE GOVERNED UNDER THE LAWS OF THE STATE OF TEXAS, WITHOUT REGARD TO TEXAS PRINCIPLES OF CONFLICTS OF LAW. Any dispute, claim, suit or proceeding hereunder shall be brought EXCLUSIVELY in state district court located in Travis County, Texas. Unless otherwise provided herein, no amendments or modifications to this Agreement shall be binding on either party unless made in writing and signed by duly authorized representatives of both parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement. In the event of any conflict between DIR Contract No. DIR-SDD-2225, this Agreement or the Proposal or any addendum, exhibit or other attachment hereto, the terms of DIR Contract No. DIR-SDD-2225 shall govern. Customer hereby agrees to provide LenSec with remote access to the Products or the live or archived images resulting from the Products at Customer's facilities, including, without limitation, the Designated Location(s).

DIR CONTRACT NO. DIR-SDD-2225 AND THIS AGREEMENT, TOGETHER WITH THE ATTACHED PROPOSAL, CONSTITUTES THE COMPLETE AND EXCLUSIVE STATEMENT OF THE AGREEMENT BETWEEN THE PARTIES WITH REGARD TO THE MATTERS SET FORTH HEREIN, AND IT SUPERSEDES ALL OTHER AGREEMENTS, PROPOSALS, AND REPRESENTATIONS, ORAL OR WRITTEN, EXPRESS OR IMPLIED, WITH REGARD THERETO.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their respective duly authorized representatives.

Customer:

\_\_\_\_\_

LenSec:

LenSec LLC

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

By:

Name:

Title: \_\_\_\_\_

Customer's Address:

\_\_\_\_\_

\_\_\_\_\_

Attention: \_\_\_\_\_

LenSec's Address:

1800 Bering Dr., Suite 751

Houston, Texas 77057

Attention: \_\_\_\_\_

ATTACHMENT A

[See the attached Proposal]